

# HOUSE BILL 1114

Q3

4lr0348

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By: **Delegates Barve, Branch, and A. Miller**  
Introduced and read first time: February 7, 2014  
Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Depreciation Modification – First-Year Depreciation**

3 FOR the purpose of altering the calculation of a certain Maryland income tax  
4 modification for depreciation of certain property to provide an additional  
5 allowance for the taxable year the property is placed in service; providing for  
6 the application of this Act; and generally relating to a Maryland income tax  
7 modification for the depreciation of certain property.

8 BY repealing and reenacting, with amendments,  
9 Article – Tax – General  
10 Section 10–210.1(b)(1)  
11 Annotated Code of Maryland  
12 (2010 Replacement Volume and 2013 Supplement)

13 BY repealing and reenacting, without amendments,  
14 Article – Tax – General  
15 Section 10–310  
16 Annotated Code of Maryland  
17 (2010 Replacement Volume and 2013 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Tax – General**

21 10–210.1.

22 (b) In addition to the modifications under §§ 10–204 through 10–210 of this  
23 subtitle, to determine Maryland adjusted gross income of an individual:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (1) an amount is added to or subtracted from federal adjusted gross  
2 income to reflect the determination of the depreciation deduction provided under §  
3 167(a) of the Internal Revenue Code [and the adjusted basis of property without  
4 regard to the additional allowance under § 168(k) of the Internal Revenue Code] **AS IF**  
5 **THE DEPRECIATION DEDUCTION PROVIDED IN § 167(A) OF THE INTERNAL**  
6 **REVENUE CODE FOR THE TAXABLE YEAR THE PROPERTY IS PLACED IN SERVICE**  
7 **INCLUDES AN ALLOWANCE EQUAL TO 100% OF THE ADJUSTED BASIS OF THE**  
8 **PROPERTY;**

9 10–310.

10           In addition to the modifications under §§ 10–305 through 10–309 of this  
11 subtitle, to determine Maryland modified income the federal taxable income of a  
12 corporation shall be adjusted as provided for an individual under § 10–210.1 of this  
13 title.

14           **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect  
15 July 1, 2014, and shall be applicable to all taxable years beginning after December 31,  
16 2013.